

# SENATE BILL REPORT

## SB 5392

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As of February 6, 2009

**Title:** An act relating to proof of financial responsibility or motor vehicle liability insurance.

**Brief Description:** Meeting financial responsibility requirements for automobiles.

**Sponsors:** Senators Kastama, Haugen and Shin.

**Brief History:**

**Committee Activity:** Transportation: 2/03/09.

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### SENATE COMMITTEE ON TRANSPORTATION

**Staff:** Janice Baumgardt (786-7319)

**Background:** Persons operating vehicles in Washington are required to carry proof that they are covered by a motor vehicle liability insurance policy, self-insurance, a certificate of deposit, or a liability bond. Insurance companies that issue or renew motor vehicle liability insurance policies must provide the policyholder with an insurance identification card. Motorcycle operators are exempt from the requirement of carrying proof of financial responsibility (i.e., insurance ID card), but are not exempt from maintaining the financial responsibility.

**Summary of Bill:** The Department of Licensing (DOL) is directed to establish a monthly random sampling program. In this program, no more than 3 percent of registered vehicles per year must provide proof of financial responsibility. Registered owners who fail to respond within 45 days must pay a \$50 penalty and provide proof of financial responsibility the next time they renew the vehicle registration. The proceeds from the \$50 penalty are to be used, after payment of the program costs, for public information campaigns regarding the financial responsibility requirements.

Knowingly providing false information to the DOL on an application for renewal of a vehicle registration is a misdemeanor.

**Appropriation:** None.

**Fiscal Note:** Available.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Uninsured motorists are a serious problem (about 16 percent of Washington drivers are uninsured) and this bill is a solution.

CON: Buying insurance is a problem for those who cannot afford it.

**Persons Testifying:** PRO: Larry Shannon, Washington State Association of Justice.

CON: Lonnie Johns-Brown, Coalition of Low Income Advocates.